Remarks/Arguments

Claims 1-7 are pending in this application. Reconsideration and allowance of all of the claims present in the application are respectfully requested in light of the following remarks.

In paragraph 2 of the Office Action, the use of various trademarks IntelliLink™ in paragraph 8 has been noted. This trademark is owned by the Applicant. The trademark is now capitalized in the replacement page for paragraph 8.

In paragraph 3 of the Office Action, the disclosure is objected to because of certain informalities.

A) 1) Paragraph 40 has been amended to address the identified informalties.

2) Paragraph 36 has been amended to address the identified informalties

B) 1) Paragraph 5 has been amended to correct the reference to patent number 6,643,133 to 6,463,133.

2) Paragraph 8 has been amended to delete the reference to patent number 6,138,108 because this patent was withdrawn from issue before the issue date.

3) Paragraph 40 has been amended accordingly.

4) Applicants' copy of the filed application does not have the error at page 26 that is identified in the Office Action. The words "What is claimed is" are printed on line 1. If the Examiner's copy has the letter "e" missing form "claimed", Applicants are at a loss as to how this happened, but assume that an Examiner's amendment can take care of the missing letter.

Claim Rejections under 35 USC §112, second pargraph.

Claims 5 and 6 stand rejected under 35 USC §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 5 and 6 have been amended to depend on claim 4.

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Claim Rejections under 35 USC §103(a)

Claims 1-7 stand rejected under 35 USC §103(a) as being unpatentable over Sansone et al. (U.S. 5,019,991). For the following reasons, this rejection is respectfully traversed.

The present invention provides a system and method for performing closed loop accounting of a postal transaction. The closed loop postage metering system, according to **claim 1**, comprises the following components. A meter provider infrastructure including a meter database. A postal infrastructure that communicates with the meter provider infrastructure. A mailer system that communicates with the meter provider infrastructure and the postal infrastructure. The mailer system includes a postage meter, which accounts for and prints postage value for a mail piece and prints on the mail piece information identifying services requested for the mail piece. The postal infrastructure, during the processing of the mail piece, determines an adjusted postage value for the mail piece based on the occurrence of events related to the requested services. Wherein the postal infrastructure sends the adjusted postage value to the meter for the meter to account for the adjusted postage value.

A method for performing closed loop accounting of a postal transaction, according to **claim 4**, comprises the following steps. A mail piece is created. Associated with the mail piece, a list of planned events is created, as well as, parameters and decision functions associated with the planned events. A postage meter prints on the mail piece certain mail piece information including a unique identification of the mail piece, evidence of postage payment, identification of the postage meter and services requested for the mailpiece. The mail piece is inducted into a postal infrastructure, and is scanned to determine if one of the planned events has occurred. If a planned event has occurred postal infrastructure sensors obtain the mail piece information including identification of the postage meter. The postal infrastructure sends a message to the meter relating to the occurrence of the planned event, the message including the mail piece information. According to **claim 5**, the meter performs accounting for the occurrence of the planned event. According to **claim 6**, if a planned event has not occurred the postal infrastructure sends a message to the meter

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<u>relating to the non-occurrence of the planned event; and the meter performs accounting</u>

<u>for the non-occurrence of the planned event.</u>

The comments in paragraph 6 of the Office Action refer to practice set forth in the Background of the Invention set forth in the application. However, in paragraph 6.1.3, the Office Action contends that

> ...it would have been inherent to one of ordinary skill at the time the invention was made that the system of Sansone et al ('991) that the post office would appropriately notify the mailer and meter of any additional required postage and post office would not process any mail that has not been properly accounted for by the mailer and meter. It is further noted that for the mailer to be notified, the post office must have access to a mailer/meter database so that the correct mailer/meter is charged for the addition postage value that has been applied to the items of mail.

Applicant respectfully disagrees with this contention. Sansone et al ('991) does not disclose or suggest the closed loop metering system of the present invention in which the meter performs accounting for the occurrence or non-occurrence of a planned event.. In fact, Sansone et al ('991) teaches against the present invention because the <u>adjustment in postage disclosed in Sansone et al ('991) is performed by the mailer's</u> <u>system prior to the mail being inducted into the postal infrastructure.</u> See Fig. 1 of Sansone et al ('991) and the description thereof beginning at col. 3, .line 10. Sansone et al ('991) discloses a system for certifying correctly accounted postage payment.. Beginning at col. 1, line 61, Sansone et al ('991) discloses the problem being solved.

> This invention relates to data processing system for automatically correcting and accounting for improperly applied postage in short paid mail.... Short paid mail is mail that does not have sufficient postage to cover the cost of shipping under current laws and regulations.... Short paid mail is identified by the postal service as part of their acceptance procedure. However, the acceptance procedure varies from postal service to postal service and is extremely costly....Short paid mail is corrected by either returning it to the sender where more postage is added or by sending it on to the recipient for payment by the recipient....It is therefore the object of the present invention to provide a method and apparatus for correctly and automatically calculating the proper postage on a mailing based on appropriate guidelines, and certifying said mail piece as correct.

At col. 3, beginning at line 10, Sansone et al ('991) discloses its solution to the problem (emphasis added):

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Referring to FIG. 1, a block diagram illustrative of apparatus for implementing the present invention is illustrated. Thus, transactional mail data, such as envelope or appropriate manifest data, is either read or keyed into the input device 10, and data regarding the same is fed to the CPU 12. The mail pieces 13 are placed in a feeder-stacker unit 14 of conventional construction where they are driven by appropriate feed rollers 16 on a mail path 18, first to an optical reader 21 coupled to the CPU 12 for reading data on the mail pieces such as destination zip codes..... At the next station, the envelope is weighed, preferably on the fly for high speed operations, upon an appropriate scale mechanism, including a scale platform, 28.... The scale platform cooperates with a weighing apparatus 30, the output data of which is fed to CPU 12. The scale may be calibrated for the U.S. Postal Service by Pitney Bowes and certified to be functioning accurately by Pitney Bowes. The scale may be periodically inspected, much in the manner of conventional postage meters, or may be inspected by telephone through appropriate modem links or the like.

Since the reduced postage in batch mailing depends upon the presence of at least a predetermined number of mail pieces for a given zip code, a queuing station 23 may be provided to hold all sequentially received mail pieces directed to a common destination zip code. If the required number are not queued, then the printer, to be described, will be controlled to print full postage of mail directed to the zip code, otherwise the printer may be controlled to print indicia in accordance with batch mail regulations. ...

The CPU 12 responds to the weight data from scale 30, in accordance with a pre-stored program and postal data previously stored in a look up table in memory, for activating a printing activating mechanism 32 which sets print wheels 34, cooperating with meter imprinting station 36, for applying appropriate printed postal indicia data to the envelope as it traverses along the path 18 into the meter imprinting station. Normally before or concurrently with stamping, the value of the printed postage is debited from the descending register 50. **In the event that the postage is already pre-printed, such information will have been placed into the CPU by the reader 10 and a bypass mechanism 40 will be activated causing the imprinting station to be inactive.** Print confirmation signals of printing postal indicia from meter imprinter unit 36 are provided from print confirmation unit 44 to the CPU for appropriate error checking in a manner which is conventional. In the event of pre-printed postage, the counter 26 and scale 30 function to provide parameters which are compared to the previously stored data in the CPU 12 to determine the correctness of the pre-printed postage. In the event the postage is incorrect, the CPU 12 calculates the correct postage and decrements the descending register accordingly. **Upon discharge of the mail pieces from the mail path 18, mail pieces then continue along path 46 to the certification station 48, where an appropriate certification stamp is placed upon the mail. The certification is a verification of correct postage accounting, as a function of mail count and/or weight and/or destination zip codes, or a combination thereof, depending upon the input condition established when the run began. Thus, certification provides a**

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means for indicating that a mail piece has gone through a correct accounting process and should be delivered regardless of any apparent short payment. The certification also verifies that a correct debit was in fact performed by the postal organization. The certificate is placed upon the mail in human readable form and thus provides an indication to the postal service that appropriate adjustments have been made to the sender's descending register balances for any short-weighed or short-paid or otherwise incorrect postage which may have been placed upon the envelope.

Thus it can be seen that the certification device is at the mailer's site and includes the meter imprinting station 36 and the descending register 50, i.e., the meter. Referring now to Fig. 5, Sansone et al ('991) discloses a separate post office confirmation of the certification performed at the device in Fig. 1. see the description thereof at col. 6, beginning at line 46 (emphasis added).

> Referring to FIG. 5, **a post office reader system** is illustrated **wherein the need for manually confirming certification is avoided.** Thus, the mail piece 300 is directed along feed path 310 between nip roller 312 to reader A 314, which reads the pre-coded indicia provided in the postal imprint area 110 (FIG. 3). From this indicia is derived an identification code which is stored in CPU 316 memory 316A. The reader 314 may be optical or bar code. Upon receipt of the postal imprint indicia, the CPU checks to confirm the correctness of the indicia as conforming to an authorized postal meter certification apparatus, previously established by the user. The mail piece continues on the reader B 318, which reads the pre-coded indicia provided in the certification code which is stored in CPU 316 memory 316B. The CPU then performs a comparison interrelationship, utilizing encryption techniques ..., to confirm that the certification is authentic. **Upon confirmation of authenticity the CPU 316 activates the accept/reject mechanism 320 for appropriate handling.** It can also output to a printer (not shown) for generation of reports. It may also be used in determining by statistical means the sampling rates, quantities and the like.

Thus in Sansone et al ('991), the post infrastructure merely confirms authenticity of the certification by mailer's system shown in Fig. 1. If there is short paid mail that cannot be confirmed in accordance with Sansone et al ('991), then the post must resort to returning the mail to the mailer or charging the recipient as set forth in the Background of the Invention in Sansone et al ('991).
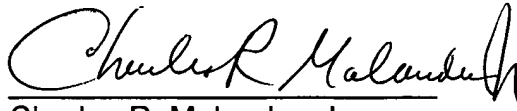
Based on the foregoing, Sansone et al ('991) neither discloses or suggests the present invention. For at least the above reasons, Applicant respectfully submit that

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claims 1 and 4 are allowable over Sansone et al ('991). Claims 1-3 and 5-7, dependent upon claims 1 and 4 respectively, are allowable on their own merits.

In view of the foregoing amendments and remarks, it is respectfully submitted that the claims of this application are now in a condition for allowance and favorable action thereon is requested.

Respectfully submitted,

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